Thursday, September 27, 2007

Law RECOMMENDATION FOR COUNCIL ACTION

Item No. 17

Subject: Authorize the negotiation and execution of an amendment for an increase to the outside counsel contract with Hilgers Bell & Richards, L.L.P., Austin, Texas for legal services related to Lost Creek Municipal Utility District Strategic Partnership Agreement arbitration and subsequent litigation designated as Cause No. D-1-GN-001377, Lost Creek Municipal Utility District v. City of Austin, in the 126th Judicial District Court of Travis County, Texas, in the amount of \$133,850 for a total amount not to exceed \$173,550.

Amount and Source of Funding: Funding is available in the Fiscal Year 2007-2008 Operating Budget of the Austin Water Utility.

This item would increase the amount of funding for the outside counsel contract for the Lost Creek M.U.D. SPA arbitration and litigation. The initial estimate assumed that arbitration would occur within 10 days. Subsequently, opposing counsel requested depositions, filed a lawsuit, and raised numerous other prearbitration issues, increasing the amount of time necessary to devote to this matter.